

WASHINGTON (March 10) – With House Financial Services Committee Chairman Spencer Bachus (AL-6) leading the debate, the U.S. House of Representatives today approved legislation to terminate an ineffective Federal mortgage refinance program that has assisted only 44 homeowners despite its \$50 million price tag.

The bill ends the FHA Refinance Program, which is funded with \$8 billion in TARP dollars. According to the Treasury Department's TARP Progress Report from last month, only \$50 million has been disbursed to the program. The Obama Administration originally estimated this program would help between 500,000 and 1.5 million homeowners. However, only 44 mortgages have been refinanced through the program as of mid-February and only 245 applications have been submitted.

The FHA Refinance Program enables lenders to transfer their mortgage risk onto the taxpayer. As a result, this program privatizes profits and socializes losses. It amounts to nothing more than a taxpayer-funded bailout of lenders who can shift their losses onto taxpayers.

During the debate over the measure, Congressman Bachus repeatedly pointed to a large poster display of children to remind his colleagues who is really picking up the tab for this ineffective program.

"The money from this program doesn't go to the homeowner, it goes to the lender, it goes to the banks. And who pays for it? The taxpayers and ultimately our children and grandchildren because the federal government borrows 42 cents of every dollar it spends," said Chairman Bachus. "This program is already allocated \$50 million and has helped only 44 people. Do the math."

The legislation was introduced by Rep. Robert Dold (R-IL) who said, "The FHA Refinance Program was wrong for homeowners, wrong for taxpaying American families, and wrong for our future generations. I'm very pleased that my bill to end this ineffective and harmful government program passed on a bi-partisan basis. Democrats and Republicans alike know that we must stop wasting money on ineffective government programs and instead focus on improving the conditions for jobs and income growth."

To view excerpt of Congressman Bachus floor speech on debt and eliminating wasteful

government spending, [click here.](#)

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